II. Project Cost: The Project Cost should not normally exceed Rs. 300 lakhs. However, SFCs and State Industrial Development Corporations (SIDCs) which meet the prescribed eligibility criteria are permitted to finance projects with cost upto Rs. 500 lakhs.

III. Eligible Loans Amount:

	Name of the Institution	*SFC/SIDC meeting prescribed eligibility criteria*	*Others*
	SFC	Rs.90 lakhs	Rs..60 lakhs
	SIDC	Rs.150 lakhs	Rs.90 lakhs
IV.	Promoter's Contribution % to the	17.5% for projects located in A and B category backward area.	
	project cost	20% for projects located in C category backward area.	
		22.5% for projects located in non-backward area.	
V.	Debt Equity Ratio	2:1	
VI.	Rate of Interest	Between 17.5% to 20%to the Industrial Concerns by SFC/SIDC/ Bank and 15% by IDBI on its refinance amount to SFC/SIDC/Bank	
VII.	Front end fe	1%	

(b) The Debt Equity Ratio (DER) for medium scale industries normally does not exceed 2:1 . As regards units in the small scale sector, with the setting up of Small Industries Development Bank of India (SIDBI), refinance in respect of this sector is provided by SIDBI. The maximum DER prescribed by SIDBI for SSI units has uniformly been fixed at 3:1. However, SIDBI does not insist on equity contribution in respect of certain schemes namely the Composite Loan Scheme and Schemes for Assistance to Scheduled Castes, Scheduled Tribes and Physically Handicapped Entrepreneurs. Under the Scheme for modernisation and rehabilitation, a flexible approach towards DER is adopted.

(c) All industries falling within the definition of Industrial Concern under section 2 (c) of the IDBI Act are eligible for assistance under the Refinance Scheme

Investment by LIC & GIC in Maharashtra

6024. SHRI S.B. THORAT: Will the Minister of FINANCE be pleased to state:

(a) the amount invested by Life Insurance Corporation of India and General Insurance Corporation of India in various regions

of Maharashtra during each of the last three years, Division-wise; and

(b) the activities on which this amount has been invested?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Investment record of LIC & GIC are maintained State-wise and not Division-wise. The investment made by LIC& GIC in the State of Maharashtra for the last three years is as follows:-

(Rs. in Crores)

	1988-89	*1989-90*	*1990-91*
LIC	206.86	402.23	315.16
GIC	80.31	143.37	143.27

(b) This amount has been invested in the following activities:

Life Insurance Corporation of India:

1. State Govt. Securities & Govt. Guaranteed Marketable Securities

2. Loans to :

(i) State Govts. for Social Housing Schemes

(ii) State Electricity Board

(iii) Water Supply & Sewerage Schemes

(iv) State Road Transport Corporations

(v) Apex Co-operative Housing Finance Societies

(vi) Industrial Estates

3. Investments in Private Corporate Sector (Debentures, Preference, Equity & Loans to Companies).

General Insurance Corporation of India:

(1) Subscription to loans floated by Government

(2) Loans on soft terms to State Government for Village Housing Schemes for economically weakens sections

(3) Loans for purchase of fire fighting equipment

(4) Investments made in Equity & Preference Shares of Companies located in the State

(5) Assistance granted by way of Term Loans for Project Finance and subscription to Debenture Issue for Project Finance /Working Capital.

Functioning of Sainik Schools

6025. SHRI S.B. THORAT: Will the Minister of DEFENCE be pleased to state:

(a) whether the Government propose to take steps to improvement the functioning and the level of traning in Sainik Schools during Eighth Plan.

(b) if so, the areas identified in this regard; and